

**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, OCTOBER 12, 2004**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 12, 2004, commencing at 7:03 a.m.

**A. ROLL CALL**

Present: Council Members – Beckman, Hitchcock (arrived at 7:11 a.m.), Howard, Land, and Mayor Hansen

Absent: Council Members – None

Also Present: Interim City Manager Keeter, City Attorney Schwabauer, and City Clerk Blackston

**B. CITY COUNCIL CALENDAR UPDATE**

City Clerk Blackston reviewed the weekly calendar (filed).

**C. TOPIC(S)**

C-1 "2005-06 Budget Preview"

Finance Director Krueger distributed a packet of information (filed) and reviewed the 2005-06 budget calendar. He recommended that a one-year budget be prepared, rather than a two-year budget as has been done in the past. He also recommended that all programs in all departments (in the General Fund) be considered for efficiencies in providing services.

Referencing Exhibit A, Mr. Krueger reported that total revenue after adjustments was \$33,487,481, and expenditures including adjustments totaled \$33,689,300, which left a deficit of \$201,819. Adding the surplus from 2004-05 of \$418,117 to the beginning fund balance of \$1,771,931, leaves an ending fund balance of \$2,190,048. He explained that the adjustment of \$1,881,695 was netting the additional property taxes, now showing in the General Fund that was normally shown in the capital projects fund. The adjusted revenues would be \$31,605,786. After taking into consideration one-time revenues, expenditures, and transfers in and out, a deficit of \$1,336,788 remains.

Mr. Krueger stated that sales tax has flattened out and the projections that were made previously may not be achieved. He estimated that if nothing were done to correct the deficit, at the end of 2005-06 the City's fund balance would decrease from \$2,200,000 to \$853,260, which is 2.54% of budgeted expenditures.

Mayor Hansen expressed support for preparing a budget derived from actual revenue amounts instead of projections, to which Mr. Krueger replied that it would be some time before the City replenished its fund balance enough to do so.

In reply to Council Member Hitchcock, Mr. Krueger explained that the \$900,000 increase shown in sales tax was anticipated from the new Lowe's store.

Mr. Krueger stated that Exhibit B illustrates the net cost to operate programs in the General Fund. He explained that it lists all programs within departments, with expenditures reduced by direct revenues and cost of service transfers, to arrive at a bottom line cost for each department to operate the programs. He recommended that the cost allocation plan be reviewed to ensure that costs are equitably being charged to departments. He stated that Information Systems could be set up as an internal service fund so that revenues and expenditures could be tracked in a separate fund outside of the General Fund.

*Continued October 12, 2004*

Mr. Krueger commented that Exhibit C contains various budget reduction options to explore.

**D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

**E. ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at 7:39 a.m.

ATTEST:

Susan J. Blackston  
City Clerk

**October 11 -  
October 17**

October 2004							November 2004						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						<b>1</b>			<b>1</b>	<b>2</b>	<b>3</b>	4	5
3	4	5	6	7	8	9	7	8	<b>9</b>	<b>10</b>	11	12	13
10	11	<b>12</b>	13	14	15	16	14	15	<b>16</b>	<b>17</b>	18	19	20
17	18	<b>19</b>	<b>20</b>	21	<b>22</b>	23	21	22	<b>23</b>	24	<b>25</b>	<b>26</b>	27
24	<b>25</b>	<b>26</b>	27	28	29	30	28	29	<b>30</b>				
31													

Monday, October 11		Thursday, October 14	
		5:00pm	7:30pm Lodi Parks and Rec. - Lights on After School Program (Lodi Lake - Youth Area)
		5:30pm	7:30pm Women's Center of San Joaquin County - The Donor Recognition Reception (Cathy & Gary Ghan - 4271 Pebble Beach in Brookside)
		5:30pm	7:00pm HANSEN,HITCHCOCK - Chamber of Commerce - Now & Zen Yoga Spa Grand Opening/Ribbon Cutting (617 Lower Sacramento Rd., C1, Lodi)
		6:30pm	9:00pm The Cental Valley Division League Of California Cities Quarterly Dinner Meeting (Manteca Municipal Golf Course 305 N. Union Road)
		7:30pm	Arts & Culture - Open House (Crete Hall - Hutchins Street Square)
Tuesday, October 12		Friday, October 15	
7:00am	9:00am Shirtsleeve Session (Carnegie Forum)	2:00pm	Lodi Community Center - Ground Breaking Ceremony (415 S. Sacramento St., Lodi)
8:15am	San Joaquin County Mayors' Committee (Dept. of Rehabilitation, 4555 Precissi, Stockton)	6:00pm	9:00pm Chamber of Commerce School Street Stroll (Downtown Lodi School Street)
Wednesday, October 13		Saturday, October 16	
		Sunday, October 17	

**AGENDA ITEM**



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** 2005-06 Budget Preview  
**MEETING DATE:** October 12, 2004  
**PREPARED BY:** Jim Krueger, Finance Director

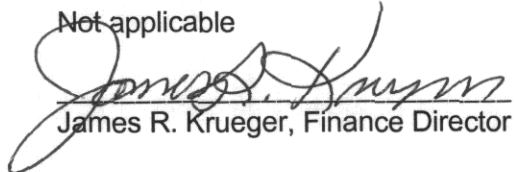
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**RECOMMENDED ACTION:** Receive an outline and exhibits related to preliminary elements of the 2005-06 budget process on October 12, 2004.

**BACKGROUND INFORMATION:** The following items will be identified on the general outline and discussed at the meeting on October 12, 2004:

- 1) A breakout of "other" items in the other sources and uses category
- 2) Discussion of the general fund structural deficit
- 3) Introduction of the Net Cost of Programs accounting methodology (Department Costs minus Direct Revenues and Interfund Transfers).
- 4) Budget strategies for consideration related to revenues and expenditures
- 5) Process and timeline elements for startup and continuation of budget preparation and approval.

**FUNDING:** Not applicable

  
James R. Krueger, Finance Director

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APPROVED:

  
Janet S. Keeter, Interim City Manager

filed 10-12-04

**2005-06 Budget Overview**

**Agenda for 10-12-04 Shirtsleeve session**

**1) Review City of Lodi Financial Condition**

- a) Break out "other" portion of other sources and uses. (Exhibit A)
- b) \$1.3 million structural deficit and initial projection for 05-06 and future years (Exhibit A)
- c) Net cost to operate (Total department Expenditures- Direct Revenues) (Exhibit B)
  - l) Objective is to resolve deficit by decreasing net cost to operate

**2) Revenue Considerations:**

- a) No new revenues or revenue enhancements Impact of Citizen's sales tax initiative
  - l) Citizens sales tax initiative
- b) Local Tourism Business Improvement District
- c) 911 tax, fee (Review status)
- d) We will continue to review all fees

**3) Expenditure Considerations:**

- a) Pers costs, employee contribution ( All are meet and confer issues)
- b) Health insurance, capping of City cost
- c) Hiring freeze continuation until ? Only a short term measure
  - l) Current status and plan for remainder of this year
- d) Develop department priorities and General Fund priorities.
- e) Develop scenarios with priorities (Exhibit C)

**4) Process and Timeline Considerations:**

- a) Calendar
- b) Appointment of Budget Advisory Committee
- c) All departments set priorities within each department based on core/mandatory programs
- d) Develop service level reduction plans
- e) Develop time line for implementation of reductions
  - l) Some reductions will be implemented in 04-05
  - ll) Majority of reductions will be implemented in 05-06

# 2004-2005 FINANCIAL PLAN AND SUMMARY

## CHANGES IN FUND BALANCE - GENERAL FUND

	2004-2005		2004-2005	Eliminate Other	Adjust or Eliminate One	2005-06
	Budget	Changes	Revised Budget	Sources and Uses	Time Revenues Expenses Or Transfers	Prospective Financial Status After Elimination Of Temporary Items
<b>Revenues</b>						
Tax Revenues	21,950,230	1,881,695	23,831,925			
Licenses and Permits	1,586,115		1,586,115			
Fines and Forfeitures	763,945		763,945			
Investment/Property Revenues	776,260	(444,380)	331,880			
Intergovernmental Revenues	4,056,961	(69,000)	3,987,961			
Service Charges	2,352,060	(387,640)	1,964,420			
Other Revenue	121,235		121,235			
<b>Total Revenue</b>	<b>31,606,806</b>	<b>980,675</b>	<b>32,587,481</b>			
<u>Revenue Items Identified as Other:</u>						
Sales Taxes and Service Charges				900,000		
Property Taxes directed to General Fund					(1,881,695)	
<b>Total Revenue after adjustments</b>				<b>(1) 33,487,481</b>	<b>(1,881,695)</b>	<b>31,605,786</b>
<b>Expenditures</b>						
Operating Programs						
Public Safety	16,866,399	(678,918)	16,187,481			
Transportation	2,158,690	(31,288)	2,127,402			
Leisure, Cultural and Social Services	4,794,851	(332,863)	4,461,988			
Community and Economic Development	3,557,270	(406,055)	3,151,215			
General Government	9,476,549	(914,408)	8,562,141			
<b>Total Operating Programs</b>	<b>36,853,759</b>	<b>(2,363,532)</b>	<b>34,490,227</b>			
<b>Total Expenditures</b>	<b>36,853,759</b>	<b>(2,363,532)</b>	<b>34,490,227</b>			
<u>Expenditure Items Identified as Other:</u>						
Pers Increases				189,940		
Vacancies				(520,000)		
Budget Savings				(700,000)		
Voluntary Leave Without Pay				(50,000)	(100,000)	
No cash out of Admin. Leave				(150,000)		
Employee medical premium savings				(552,700)		
Pay raises not budgeted at dept level				981,833		
<b>Total Expenditures including adjustments as above</b>				<b>(2) 33,689,300</b>	<b>(100,000)</b>	<b>33,589,300</b>
<b>Revenues/Expenditures (Over/Under)</b>	<b>(5,246,953)</b>	<b>3,344,207</b>	<b>(1,902,746)</b>	<b>(1) - (2) = (201,819) (A)</b>		<b>(1,983,514)</b>
<b>Other Sources (Uses)</b>						
Operating Transfers In	6,380,227	(413,972)	5,966,255	(3) 5,966,255		5,966,255
Operating Transfers Out	(4,490,867)	(828,662)	(5,319,529)	(4) (5,319,529)		(5,319,529)
Eliminate Transportation Deficit				(5) (26,790)		
Other Sources (Uses)	2,701,404	(1,027,267)	1,674,137			
<b>Total Other Sources (Uses)</b>	<b>4,590,765</b>	<b>(2,269,901)</b>	<b>2,320,864</b>	<b>619,937 (B)</b>		<b>+ 646,727</b>
<b>Net Revenues, Expenditures and Transfers</b>				<b>(A) + (B) = 418,117</b>		<b>(1,336,788)</b>
<b>Fund Balance Beginning of the Year</b>	<b>3,203,841</b>	<b>(1,431,910)</b>	<b>1,771,931</b>	<b>(I) 1,771,931</b>		<b>2,190,048</b>
Adjustment to Fund Balance				<b>+ 418,117</b>		<b>- 1,336,788</b>
<b>Fund Balance End of the Year</b>				<b>(II) 2,190,048</b>		<b>853,260</b>
Reserved for Debt Service						
Designated Reserve						
Unreserved	2,547,652	(357,604)	2,190,048			
<b>Total Fund Balance</b>	<b>2,547,652</b>	<b>(357,604)</b>	<b>2,190,048</b>	<b>6.50%</b>		<b>2.54%</b>

EXHIBIT A

**Net Cost of General Fund Programs**  
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
<b>POLICE DEPARTMENT PROGRAMS</b>				
ANIMAL SHELTER	188,792	195,214	221,365	236,905
POLICE ADMINISTRATION	862,287	879,483	1,089,150	1,096,455
POLICE OPERATIONS	4,488,669	4,500,999	4,882,449	5,258,914
POLICE INVESTIGATIONS	2,888,536	2,966,191	3,020,854	3,289,365
CRACNET	77,912	83,672	84,385	89,135
CRIME PREVENTION			5,000	5,000
AUXILIARY POLICE	3,488	1,962	7,500	7,500
HOME ALONE GRANT	3,544	1,320		
SPECIAL INVESTIGATION	2,500	5,960	5,000	5,000
<b>POLICE DEPARTMENT TOTAL COSTS</b>	<b>8,515,728</b>	<b>8,634,801</b>	<b>9,315,703</b>	<b>9,988,274</b>
Less amount funded with Direct Revenues	(976,996)	(951,134)	(979,185)	(1,006,765)
<b>POLICE DEPARTMENT COSTS FUNDED WITH GENERAL REVENUES</b>	<b>7,538,732</b>	<b>7,683,667</b>	<b>8,336,518</b>	<b>8,981,509</b>
% funded with General Revenues	88.53%	88.98%	89.49%	89.92%
<b>FIRE DEPARTMENT PROGRAMS</b>				
FIRE ADMINISTRATION	310,622	288,800	349,775	387,283
EMERGENCY SERVICES	3,916,261	4,107,495	4,526,871	5,102,648
FIRE & LIFE SAFETY	202,130	223,259	266,350	285,798
FIRE TRAINING	123,033	212,459	273,110	279,315
EMERGENCY MEDICAL SERVICE	22,072	20,903	88,260	91,740
<b>FIRE DEPARTMENT TOTAL COSTS</b>	<b>4,574,118</b>	<b>4,852,916</b>	<b>5,504,366</b>	<b>6,146,783</b>
Less amount funded with Direct Revenues	(145)	(171)	(245)	(239,285)
Less amount funded with Cost of Services Transfer		(125,512)	(105,448)	(110,183)
<b>FIRE DEPARTMENT COSTS FUNDED WITH GENERAL REVENUES</b>	<b>4,573,973</b>	<b>4,852,745</b>	<b>5,398,673</b>	<b>5,907,498</b>
% funded with General Revenues	100.00%	100.00%	98.08%	96.11%

Net Cost of General Fund Programs  
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Budget Revised	Budget Revised
<b>PUBLIC WORKS PROGRAMS</b>				
P. W. GENERAL ENGINEERING	1,225,146	1,177,425	1,155,883	1,288,406
WEED ABATEMENT	4,507			
P. W. GRAFFITI ABATEMENT	38,588	42,463	49,640	52,425
P. W. ADMINISTRATION	335,906	388,943	402,795	432,612
P. W. STREET ADMINISTRATION	276,846	283,814	294,261	333,273
STREET WORK FOR OTHERS	2,354	3,614	3,000	3,000
STREET MAINTENANCE	1,114,715	1,182,838	1,292,533	1,296,879
P. W. TREE MAINTENANCE	143,855	148,981	141,410	143,570
P. W. STREET CLEANING	259,457	352,915	318,905	329,040
P. W. PARKING LOT MAINTENANCE	20,057	26,219	21,640	21,640
P. W. CITY BUILDING MAINTENANCE	507,536	617,928	643,290	665,739
P. W. EQUIPMENT MAINTENANCE	1,098,274	1,141,704	1,055,974	1,058,868
<b>PUBLIC WORKS TOTAL COSTS</b>	<b>5,027,241</b>	<b>5,366,844</b>	<b>5,379,331</b>	<b>5,625,452</b>
Less amount funded with Direct Revenues	(522,089)	(515,302)	(375,595)	(404,220)
Less amount funded with Cost of Services Transfer	(2,302,626)	(2,340,451)	(2,452,950)	(2,452,950)
<b>PUBLIC WORKS COSTS FUNDED WITH GENERAL REVENUES</b>	<b>2,202,526</b>	<b>2,511,091</b>	<b>2,550,786</b>	<b>2,768,282</b>
% funded with General Revenues	43.81%	46.79%	47.42%	49.21%



**Net Cost of General Fund Programs**  
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
<b>PARKS AND RECREATION PROGRAMS</b>				
RECREATION ADMINISTRATION	523,805	611,774	725,839	772,793
PARKS & RECREATION COMMISSION	1,739	165	3,185	515
RECREATION - PLAYGROUNDS	177,642	190,694	187,020	189,345
YOUTH - TEEN SPORTS	122,877	145,549	184,450	169,752
MISC INDOOR/OUTDOOR ACTIVITIES	21,580	19,731	18,155	17,302
AQUATICS	114,778	104,253	102,070	103,555
ADULT SPORTS	49,876	54,002	54,585	54,117
CONCESSIONS	17,275	29,008	19,000	19,000
PARKS ADMINISTRATION	172,039	176,455	183,960	213,146
PARKS - SPORTS FACILITY MAINTENANCE	423,106	480,100	479,362	493,203
PARKS - LODI LAKE PARK	150,347	165,675	201,325	205,940
PARKS - OTHER PARKS	584,574	551,837	570,415	594,742
PARK RANGERS	126,690	132,466	141,485	141,190
PARKS - EQUIPMENT MAINTENANCE	114,360	121,467	128,220	113,981
<b>PARKS AND RECREATION TOTAL COSTS</b>	<b>2,600,688</b>	<b>2,783,176</b>	<b>2,999,071</b>	<b>3,088,581</b>
Less amount funded with Direct Revenues	(663,461)	(651,084)	(804,130)	(847,160)
Less amount funded with Cost of Services Transfer				
<b>PARKS AND RECREATION COSTS FUNDED WITH GENERAL REVENUES</b>	<b>1,937,227</b>	<b>2,132,092</b>	<b>2,194,941</b>	<b>2,241,421</b>
% funded with General Revenues	74.49%	76.61%	73.19%	72.57%

Net Cost of General Fund Programs

Based on 2004-05 Budget

2001-2002	2002-2003	2003-2004	2004-2005
Actual	Actual	Revised	Budget

COMMUNITY CENTER PROGRAMS			
ARTS SPECIALTY CLASSES	61,201	73,592	56,195
LODI ARTS COMMISSION	132,704	127,464	1,780
ARTS IN PUBLIC PLACES			3,100
YOUTH COMMISSION	55,786	68,196	51,720
SENIOR CITIZENS COMMISSION	679	675	1,400
SENIOR INFORMATION & REFERRAL	81,000	93,425	86,445
HUTCHINS STREET SQUARE POOL	94,550	106,667	104,010
COMMUNITY CENTER ADMINISTRATION	292,083	308,456	291,265
PERFORMING ARTS CENTER	76,538	127,334	149,880
ARTS AND CULTURE	76,500	77,033	226,370
CAMP LODI LAKE	14,045	13,935	3,150
LOCKEFORD AFTER SCHOOL	47,768	18,272	
LOCKEFORD SUMMER CAMP	12,205	4,154	
THORNTON AFTER SCHOOL	39,999	59,946	
WASHINGTON AFTER SCHOOL	8,550	40,212	
LODI GIFT BOXES PROGRAM	5,851	3,156	3,500
LAWRENCE/HERITAGE	137,176	102,722	110,100
HUTCHINS STREET SQUARE MAINTENANCE	345,509	389,190	383,776
COMMUNITY CENTER TOTAL COSTS			
Less amount funded with Direct Revenues	1,482,144	1,614,429	1,472,691
Less amount funded with Cost of Services Transfer	(319,326)	(410,225)	(417,790)
	(3,100)		
	930,827	1,054,901	
COMMUNITY CENTER COSTS FUNDED WITH GENERAL REVENUES			
% funded with General Revenues	78.46%	74.59%	71.63%
			67.78%

**Net Cost of General Fund Programs**  
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
<b>COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS</b>				
COMMUNITY PROMOTION	359,892	403,613	283,220	266,920
COMMUNITY IMPROVEMENT	276,471	285,710	336,416	356,203
REPAIR & DEMOLITION	9,090	10,823	35,000	35,000
ECONOMIC DEVELOPMENT	153,362	150,860	53,245	47,600
PLANNING - ADMINISTRATION	404,997	549,029	424,526	455,058
BUILDING INSPECTION	571,576	593,408	676,079	696,535
PLANNING-COMMISSIONS/COMMITTEES	4,121	5,884	6,065	5,493
FAÇADE PROGRAM	146,586	31,458		
BUSINESS ATTRACTION	1,320	(18,117)		
<b>COMMUNITY AND ECONOMIC DEVELOPMENT TOTAL COSTS</b>	<b>1,927,415</b>	<b>2,012,668</b>	<b>1,814,551</b>	<b>1,862,809</b>
Less amount funded with Direct Revenues	(995,585)	(1,234,605)	(1,097,960)	(1,117,730)
Less amount funded with Cost of Services Transfer	(55,720)		(126,875)	(126,875)
<b>COMMUNITY AND ECONOMIC DEVELOPMENT COSTS FUNDED WITH GENERAL REVENUES</b>	<b>876,110</b>	<b>778,063</b>	<b>589,716</b>	<b>618,204</b>
% funded with General Revenues	45.46%	38.66%	32.50%	33.19%

<b>CITY CLERK PROGRAMS</b>				
CITY CLERK ADMINISTRATION	219,940	251,583	263,592	268,254
ELECTION	800	53,747	1,000	109,750
PROTOCOL	12,277	16,411	15,000	15,000
COUNCIL	42,502	39,741	53,320	45,354
HANSON	1,739	1,536	3,000	3,000
HITCHCOCK	3,481	6,119	3,000	3,000
BECKMAN		188	3,000	3,000
HOWARD	3,323	5,414	3,000	3,000
PENNINO	4,407			
EMERGENCY PREPAREDNESS	15,327	1,208		
LAND	3,221	2,974	3,000	3,000
SISTER CITY	1,707	640	1,500	1,500
<b>CITY CLERK TOTAL COSTS</b>	<b>308,724</b>	<b>379,561</b>	<b>349,412</b>	<b>454,857</b>
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(69,415)	(69,415)	(65,292)	(65,292)
<b>CITY CLERK COSTS FUNDED WITH GENERAL REVENUES</b>	<b>239,309</b>	<b>310,146</b>	<b>284,120</b>	<b>389,565</b>
% funded with General Revenues	77.52%	81.71%	81.31%	85.65%

**Net Cost of General Fund Programs**  
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
<b>CITY WIDE PROGRAMS (NON-DEPARTMENTAL)</b>				
DAMAGE TO PROPERTY	51,329	38,372	26,000	24,500
CITY WIDE UTILITIES	783,321	902,150	843,880	877,990
SPECIAL PAYMENTS-ADMINISTRATION	347,516	417,450	364,680	377,438
PHOTOCOPY CHARGES	37,437	26,573	24,300	24,020
TELEPHONE CHARGES	158,258	162,876	158,100	155,945
CITY-WIDE POSTAGE	215,040	241,711	260,255	246,280
<b>CITY WIDE (NON-DEPARTMENTAL) TOTAL COSTS</b>	<u>1,592,901</u>	<u>1,789,132</u>	<u>1,677,215</u>	<u>1,706,173</u>
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(234,693)	(555,331)	(122,930)	(122,930)
<b>NON-DEPARTMENTAL) FUNDED WITH GENERAL REVENUES</b>	<u>1,358,208</u>	<u>1,233,801</u>	<u>1,554,285</u>	<u>1,583,243</u>
% funded with General Revenues	85.27%	68.96%	92.67%	92.79%
<b>CITY ATTORNEY TOTAL COSTS</b>	280,207	308,695	386,570	364,038
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(102,619)	(108,848)	(163,276)	(163,276)
<b>CITY ATTORNEY COSTS FUNDED WITH GENERAL REVENUES</b>	<u>177,588</u>	<u>199,847</u>	<u>223,294</u>	<u>200,762</u>
% funded with General Revenues	63.38%	64.74%	57.76%	55.15%
<b>CITY MANAGER - ADMINISTRATION TOTAL COSTS</b>	400,613	425,653	431,750	412,853
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(222,260)	(231,150)	(233,870)	(233,870)
<b>CITY MANAGER COSTS FUNDED WITH GENERAL REVENUES</b>	<u>178,353</u>	<u>194,503</u>	<u>197,880</u>	<u>178,983</u>
% funded with General Revenues	44.52%	45.70%	45.83%	43.35%

**Net Cost of General Fund Programs**  
Based on 2004-05 Budget

	2001-2002	2002-2003	2003-2004	2004-2005
	Actual	Actual	Revised Budget	Revised Budget
<b>HUMAN RESOURCES PROGRAMS</b>				
HUMAN RESOURCES	394,985	347,400	387,420	389,872
RISK MANAGEMENT	88,053	164,774	166,995	172,039
TRAINING-CITY WIDE	29,190	9,547	24,765	20,312
<b>HUMAN RESOURCES TOTAL COSTS</b>	<b>512,228</b>	<b>521,721</b>	<b>579,180</b>	<b>582,223</b>
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(117,776)	(86,427)	(182,254)	(182,254)
<b>HUMAN RESOURCES COSTS FUNDED WITH GENERAL REVENUES</b>	<b>394,452</b>	<b>435,294</b>	<b>396,926</b>	<b>399,969</b>
% funded with General Revenues	77.01%	83.43%	68.53%	68.70%
<b>INFORMATION SYSTEMS TOTAL COSTS</b>				
Less amount funded with Direct Revenues				
Less amount funded with Cost of Services Transfer	(429,410)	(584,292)	(1,211,786)	(1,211,786)
<b>INFORMATION SYSTEMS COSTS FUNDED WITH GENERAL REVENUES</b>	<b>363,070</b>	<b>416,935</b>	<b>(169,974)</b>	<b>(150,226)</b>
% funded with General Revenues	-45.81%	-41.64%	-16.32%	-14.15%
<b>FINANCE PROGRAMS</b>				
FINANCE ADMINISTRATION	228,623	211,640	132,672	171,936
FINANCE PURCHASING	257,945	289,024	295,915	318,582
FINANCE ACCOUNTING	477,081	545,543	540,267	582,966
FINANCE REVENUE DIVISION	628,017	648,807	705,192	749,735
FINANCE DATA PROCESSING				
FINANCE FIELD SERVICES	367,682	368,995	392,770	
<b>FINANCE TOTAL COSTS</b>	<b>1,959,348</b>	<b>2,064,009</b>	<b>2,066,816</b>	<b>1,823,219</b>
Less amount funded with Direct Revenues	(431,295)	(436,720)	(448,545)	(448,545)
Less amount funded with Cost of Services Transfer	(1,363,175)	(1,403,765)	(1,707,712)	(1,293,712)
<b>FINANCE COSTS FUNDED WITH GENERAL REVENUES</b>	<b>164,878</b>	<b>223,524</b>	<b>(89,441)</b>	<b>80,962</b>
% funded with General Revenues	8.41%	10.83%	-4.33%	4.44%
<b>ALL DEPARTMENTS</b>				
Less amount funded with Direct Revenues	(3,908,897)	(4,199,241)	(4,123,450)	(4,503,185)
Less amount funded with Cost of Services Transfer	(4,897,694)	(5,502,991)	(6,372,393)	(5,966,228)
<b>ALL DEPARTMENTS COSTS FUNDED WITH GENERAL REVENUES</b>	<b>21,167,244</b>	<b>22,052,600</b>	<b>22,522,625</b>	<b>24,020,814</b>
% funded with General Revenues	70.62%	69.45%	68.21%	69.65%

	2004-2005 Revised Budget	(A) 3.91% (1.3M/34.5M)	(B) 5.62% (1.3M/24M)	(C) 5.62% No P/S -s	(D) 5.62% 1/2 P/S -s	(E) Other
<b>POLICE DEPARTMENT TOTAL COSTS</b>	9,988,274	(390,956)	(504,772)		(252,386)	(252,386)
Less amount funded with Direct Revenues	(1,006,765)					25,439
<b>POLICE DEPARTMENT COSTS FUNDED WITH GENERAL REVENUES</b>	<u>8,981,509</u>					<u>(226,947)</u>
% funded with General Revenues	89.92%					89.92%
<b>FIRE DEPARTMENT TOTAL COSTS</b>	6,146,783	(240,594)	(332,009)		(166,004)	(166,004)
Less amount funded with Direct Revenues	(239,285)					
Less amount funded with Cost of Services Transfer	(110,183)					6,462
<b>FIRE DEPARTMENT COSTS FUNDED WITH GENERAL REVENUES</b>	<u>5,907,498</u>					<u>(159,542)</u>
% funded with General Revenues	96.11%					96.11%
<b>PUBLIC WORKS TOTAL COSTS</b>	5,625,452	(220,189)	(155,581)	(409,249)	(282,415)	(282,415)
Less amount funded with Direct Revenues	(404,220)					
Less amount funded with Cost of Services Transfer	(2,452,950)					143,439
<b>PUBLIC WORKS COSTS FUNDED WITH GENERAL REVENUES</b>	<u>2,768,282</u>					<u>(138,976)</u>
% funded with General Revenues	49.21%					49.21%
<b>PARKS AND RECREATION TOTAL COSTS</b>	3,088,581	(120,892)	(125,971)	(331,360)	(228,666)	(228,666)
Less amount funded with Direct Revenues	(847,160)					
Less amount funded with Cost of Services Transfer						62,720
<b>PARKS AND RECREATION COSTS FUNDED WITH GENERAL REVENUES</b>	<u>2,241,421</u>					<u>(165,945)</u>
% funded with General Revenues	72.57%					72.57%
<b>COMMUNITY CENTER TOTAL COSTS</b>	1,373,407	(53,757)	(52,314)	(137,609)	(94,961)	(94,961)
Less amount funded with Direct Revenues	(439,480)					
Less amount funded with Cost of Services Transfer	(3,100)					30,601
<b>COMMUNITY CENTER COSTS FUNDED WITH GENERAL REVENUES</b>	<u>930,827</u>					<u>(64,360)</u>
% funded with General Revenues	67.78%					67.78%
<b>COMMUNITY AND ECONOMIC DEVELOPMENT TOTAL COSTS</b>	1,862,809	(72,913)	(34,744)	(91,392)	(63,068)	(34,744)
Less amount funded with Direct Revenues	(1,117,730)					
Less amount funded with Cost of Services Transfer	(126,875)					
<b>COMMUNITY AND ECONOMIC DEVELOPMENT COSTS FUNDED WITH GENERAL REVENUES</b>	<u>618,204</u>					<u>23,214</u> <u>(11,530)</u>
% funded with General Revenues	33.19%					33.19%

Exhibit C 1

	2004-2005 Revised Budget	(A) 3.91% (1.3M/34.5M)	(B) 5.62% (1.3M/24M)	(C) 5.62% No P/S -s	(D) 5.62% 1/2 P/S -s	(E) Other
<b>CITY CLERK TOTAL COSTS</b>	454,857	(17,804)	(21,894)	(57,591)	(39,743)	(21,894)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer	(65,292)					3,143
<b>CITY CLERK COSTS FUNDED WITH GENERAL REVENUES</b>	<u>389,565</u>					<u>(18,751)</u>
% funded with General Revenues	85.65%					85.65%
<b>CITY WIDE (NON-DEPARTMENTAL) TOTAL COSTS</b>	1,706,173	(66,782)	(88,980)	(234,059)	(161,519)	(88,980)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer	(122,930)					6,411
<b>NON-DEPARTMENTAL) FUNDED WITH GENERAL REVENUES</b>	<u>1,583,243</u>					<u>(82,569)</u>
% funded with General Revenues	92.79%					92.79%
<b>CITY ATTORNEY TOTAL COSTS</b>	364,038	(14,249)	(11,283)	(29,680)	(20,481)	(11,283)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer	(163,276)					5,061
<b>CITY ATTORNEY COSTS FUNDED WITH GENERAL REVENUES</b>	<u>200,762</u>					<u>(6,222)</u>
% funded with General Revenues	55.15%					55.15%
<b>CITY MANAGER - ADMINISTRATION TOTAL COSTS</b>	412,853	(16,160)	(10,059)	(26,460)	(18,260)	(10,059)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer	(233,870)					5,698
<b>CITY MANAGER COSTS FUNDED WITH GENERAL REVENUES</b>	<u>178,983</u>					<u>(4,361)</u>
% funded with General Revenues	43.35%					43.35%
<b>HUMAN RESOURCES TOTAL COSTS</b>	582,223	(22,789)	(22,479)	(59,129)	(40,804)	(22,479)
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer	(182,254)					7,037
<b>HUMAN RESOURCES COSTS FUNDED WITH GENERAL REVENUES</b>	<u>399,969</u>					<u>(15,442)</u>
% funded with General Revenues	68.70%					68.70%

	2004-2005	(A)	(B)	(C)	(D)	(E)
	Revised	3.91%	5.62%	5.62%	5.62%	Other
	Budget	(1.3M/34.5M)	(1.3M/24M)	No P/S -s	1/2 P/S -s	
<b>INFORMATION SYSTEMS TOTAL COSTS</b>	1,061,560	(41,551)	14,135	38,000	25,658	8,443
Less amount funded with Direct Revenues						
Less amount funded with Cost of Services Transfer	(1,211,786)					(9,638)
<b>INFORMATION SYSTEMS COSTS FUNDED WITH GENERAL REVENUES</b>	<u>(150,226)</u>					<u>(1,195)</u>
% funded with General Revenues	-14.15%					-14.15%
<b>FINANCE TOTAL COSTS</b>	1,823,219	(71,364)	(4,550)	(11,969)	(8,260)	(4,550)
Less amount funded with Direct Revenues	(448,545)					
Less amount funded with Cost of Services Transfer	(1,293,712)					4,348
<b>FINANCE COSTS FUNDED WITH GENERAL REVENUES</b>	<u>80,962</u>					<u>(202)</u>
% funded with General Revenues	4.44%					4.44%
<b>ALL DEPARTMENTS</b>	34,490,227	(1,350,000)	(1,350,500)	(1,350,498)	(1,350,908)	(917,938)
Less amount funded with Direct Revenues	(4,503,185)					
Less amount funded with Cost of Services Transfer	(5,966,228)					
<b>ALL DEPARTMENTS COSTS FUNDED WITH GENERAL REVENUES</b>	<u>24,020,814</u>					
% funded with General Revenues	69.65%	3.91%	5.62%			



## **2005-06 Budget Calendar**

### **Actions**

<b>11/4/2004</b>	City Council Meeting to discuss performance measures and department priorities
<b>12/15/2004</b>	Mid-year budget adjustments for 2004-05 and revenue estimates
<b>1/5/2005</b>	Discuss proposed budget for 2005-06 and review fiscal policies. City Council gives advices to Staff for preparation of proposed budget
<b>2/1/2005-2/28/2005</b>	Budget Committee meets and advises City Manager on budget
<b>3/2/2005</b>	Receive Proposed Fiscal Year 2005-06 budget
<b>March, 2005</b>	Shirtsleeve sessions to review proposed budget with City Council
<b>4/6/2005</b>	Adopt Resolution for 2005-06 Budget